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ABSTRACT

In some countries there has been a general trend toward centralizing control in areas such as the development and measurement of school goals while also increasing responsibility at the school level for financial and staffing decisions and for structuring learning activities to achieve those goals. The British and New Zealand educational reforms of the late 1980s are a case in point. While a national curriculum and evaluation system was being introduced, control of staffing and school budgets was being devolved to the school. A similar trend toward a national curriculum and statewide testing is evident in Victoria, Australia, particularly in the Schools of the Future. This paper examines data from school-effectiveness studies over the last decade and a half to answer the following questions about decentralization: whether or not there should be further decentralization of decision making; what arrangements should be made to ensure effectiveness; and how such decentralization should be funded. The research is inconclusive about whether the self-managing school will improve student outcomes. Certainly the case could be made that if student outcomes remain the same, but are achieved at considerably less cost to the public, then the move toward decentralization has been worthwhile. However, initial findings suggest that the decrease in funding has entailed a human cost in the form of increased workloads for principals, teachers, and parents. (Contains 69 references.) (LMI)

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# SCHOOL EFFECTIVENESS AND RESTRUCTURING SCHOOLS: WHAT DOES THE RESEARCH TELL US?

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In many countries around the world educational authorities have used school effectiveness research to justify the decisions being made about the restructuring of education. However, there seems to be no uniformity in these decisions from country to country, and in some countries shifts in decision-making to schools for some elements of organisation seem to happen simultaneously with increases in centralised decision-making powers and influence for others. There seems to be a general trend towards centralised control in areas such as the development and measurement of school goals, but increasing responsibility at the school level, through finance and staffing decisions, for the structuring of learning activities to achieve those goals.

The British and New Zealand educational reforms in the late 1980s are a case in point. At the same time as a national curriculum with national testing and reporting was being introduced, control of school budgets and staffing was being devolved to the school. Similar moves towards a national curriculum and statewide testing, but local management of schools, is also evident in Australia, particularly in the Victorian Schools of the Future.

The purpose of this paper is to consider the way in which research into school effectiveness and school improvement, especially over the last decade and a half, might help to inform the debate on the decentralisation of educational decision making and management.

## SCHOOL EFFECTIVENESS AND THE DECENTRALISATION DEBATE

A number of issues related to decentralisation can be commented upon using data collected from school effectiveness studies. The three main ones are whether or not there should be further decentralisation of educational decision making and management, what arrangements should be made to ensure that this works effectively, and how such decentralisation should be resourced. In each case, school effectiveness research can help to shed some light on these debates.

### 1. There should be decentralisation of the management of schools, although this may differ in practice from country to country.

Some observers have considered that the decentralisation activity has been used as a means to improved student outcomes (an issue of quality), while others have considered that it has been used as a way of winding back the money spent on education (an issue of finance). The fact that the implementation of self-managing schools in a number of different countries has been accompanied by a slashing of the educational budget in each instance has done little to clarify this issue. The identified reason for much of the decentralisation of educational management to the school site is

that is will improve the quality of education for children. This is typified by the Victorian Schools of the Future, the rationale for which is a 'commitment to the view that quality outcomes of schooling can only be assured when decision-making takes place at the local level' (DSE, 1993:1).

In Australia, much has been made of the fact that other nations such as Britain, Canada, New Zealand and the USA (Caldwell, 1993:1) have embarked on similar programs and that what is happening in Australia merely reflects an international trend. These four countries are interesting case studies, as different models begin to emerge, neither of which resembles the situation in Australia. In both Canada and the USA for instance, school self-management has occurred at the school district level (in Edmonton, Alberta and Dade County, Florida, for example); in New Zealand, *Tomorrow's Schools* has created a relationship between the national government and individual schools; and in Britain there is also a national system, but with a mixture of the two different versions, schools are either attached to a Local Education Authority as Locally Managed Schools (LMS) or are funded fully by the national government as Grant Maintained Schools (GMS). Neither of these models, the smaller local district model nor the national model is similar to the Australian scene where the various state governments, that maintain and control school education, are at different stages of decentralisation, with NSW and Victoria being the flagships where the self-managing school concept has made the most progress.

*School effectiveness and the self-managing school*

From a school effectiveness perspective, the literature is not much help for developing an argument for or against the further decentralisation of schools. It is far too early to report any lasting effect these international efforts to restructure schools have had on student outcomes. The most radical of all systems attempted so far have been the moves to Locally Managed Schools and Grant Maintained Schools in the United Kingdom and *Tomorrow's Schools* in New Zealand, both of which only came into being through Acts of Parliament in 1988. Most of the children who were in the system when these structures were implemented are still there.

Even the oldest of the attempts to encourage school self-management (Edmonton, Canada and Dade County, Florida) have only been able to report increases in the levels of satisfaction by parents, teachers, students and school personnel (Brown, 1990: 247) in the first instance and the professional status of teachers (Collins and Hanson, 1991: 4) in the second. They have no evidence that self-management, in itself, has improved student achievement.

Evidence cited by Whitty (1994: 6) suggests that the local management changes in the United Kingdom have not altered children's learning in the positive way that might have been expected, with 34% of head teachers in a study conducted by Arnott et al

(1992) thinking there had been an improvement, 31% thinking there had been a regression and 35% being unsure. In the USA, Elmore argued:

> [T]here is little or no evidence that [site-based management] has any direct or predictable relationship to changes in instruction and students' learning. In fact, the evidence suggests that the implementation of site-based management reforms has a more or less random relationship to changes in curriculum, teaching, and students' learning.
>
> (Elmore, 1993, p. 40)

In Australia, Caldwell reported that:

> While research has not yet revealed a direct cause-and-effect relationship between decentralisation of management and improved outcomes for students, the body of evidence points to a significant contribution in this direction...that decentralisation enhances job satisfaction and professionalism on the part of principals and teachers.
>
> (Caldwell, 1993: xiii)

However, the school effectiveness research is a powerful tool that has been used to support the decisions being made. Despite the lack of evidence that school-self management has any specific positive effect on academic student outcomes, school systems use school effectiveness research as an underlying justification for self-managing schools. This attempt to link strongly school self-management and school effectiveness is a clear indication of selective reporting of the evidence, demonstrating Reynolds' point that, 'in the different educational houses in which we live, it seems that school effectiveness research and school effectiveness researchers are now part of the furniture' (Reynolds, 1994:1). At the moment we only have a tenuous link between the school restructuring research, which indicates improved job satisfaction, improved status for teachers and principals and improved levels of satisfaction for those involved in the school, and the school effectiveness research, which considers student outcomes.

**2. The major stakeholders in education should attempt to establish agreed principles upon which decentralisation of school management is to take place. The school charter should become the contract between the school and the school system, where the responsibility, authority and accountability of the various stakeholders (principal, school council, school system) are clearly defined and agreed upon.**

The issue of school-based decision making and management is becoming one focus of the school effectiveness literature, as political decisions in a number of countries place more emphasis on local involvement in school management. Murphy (in press) argues that, typically, school self management considers five school operations, goals, budget, personnel, curriculum and instruction, and organisational

structures. The more control the school has over any, or all of these aspects, the greater the level of self management. Sharpe (1993) suggested there were various dimensions to the notion of devolution in Australia, including:

- input variables, such as the goals, curriculum and facilities of the school and financial resources, students and staff ;
- structural variables, such as the organisational structure, patterns of authority, communication and decision making, how the school year is organised, student groupings;
- process variables, such as goal setting, policy determination, planning, budgeting, curriculum and staff management and evaluation;
- environment variables, such as accountability for achievement and effectiveness to various interest groups (parents, community, government) and marketing;

(Sharpe, 1993:4-6)

and that the extent of devolution for each of these dimensions could be roughly measured on a continuum from total external control (which really has never existed in Australia) to total self management (which is unlikely ever to exist). With 1973 (the date of the Karmel Report) as the base line, Sharpe postulated the direction of change (more external control or more self-managed) for each of the four dimensions. He argued:

> There has been a significant trend to school-based management of processes and a smaller shift in the same direction for structures and its relations with the school's environment. The position related to inputs is less clear. My own view is that the apparent increase in control by governments, systems and curriculum authorities over policies, culture, outcomes, performance and curriculum design, assessment and reporting has the power to greatly modify or even nullify the benefits many schools are sensing from greater freedom in other aspects of management.
>
> (Sharpe: 1993:17)

His view is that overall there has been some change towards greater self-management of schools, but that this change is not as large as some others might argue.

Charter schools and school charters mean different things in different parts of the world, but one feature is common, the charter of the school in question is the contract made between the school and the educational authority for the provision of education in the local area. Charter schools are features of public school systems in a number of states in the United States and in the Russian Federation. According to Weiss (1994: 1), 'because they are not subject to the direct control that prevents public schools from experimenting, these schools represent opportunities for real change'. They have one purpose - 'to create diverse and innovative learning opportunities for the children'

(Wexler, 1994: 19). Dickert (1995) argues that autonomy is perhaps the most visible and most symbolic difference between charter schools and other public schools. Those in favour of charter schools argue that charter schools initiate competition between schools which will improve education.

> If state legislation is relatively non-restrictive, permitting substantial autonomy, and does not limit the number of charter schools, then schools will have sufficient authority to create a variety of programs and methods, and a large number of charter schools will open. These schools will compete with current public schools for students and hence funding. The competition will require all schools to attend to the needs of students and the desires of parents. The result will be improved education for all students.
>
> (Rael, 1995: 1)

Others argue this may 'create pressure for reductions in overall education spending while also creating pressure for freeing all schools from regulations that ensure educational corners will not be cut' (Rael, 1995: 2). In these systems, charter schools are seen to be separate from the school system.

On the other hand, School Charters are features of the New Zealand *Tomorrow's Schools* program and Victoria's *Schools of the Future* program, where all schools in the system become 'chartered' schools. In these two systems, the charter approved by the education authority becomes the contract between the state and the school council for the services to be delivered by the school (Rae, in press). A similar pattern of contract exists between school managing authorities and governments for Local Managing Schools (LMS) and Grant Maintained Schools (GMS) in England and Wales, the Self-Managing Initiative in Hong Kong, where non-commercial, non-profit bodies manage one or more (up to a hundred) schools and the move towards school-based management in Malaysia.

Given this world wide interest in having contracts between individual schools and governments, we need to ask ourselves two questions. Why school self-management and why now? Caldwell (1993) identifies the rationale for much of the decentralisation in Australia by arguing:

> Forces which have shaped current and emerging patterns of school management include a concern for efficiency in the management of public education, effects of the recession and financial crisis, complexity in the provision of education, empowerment of teachers and parents, the need for flexibility and responsiveness, the search for school effectiveness and school improvement, interest in choice and market forces in schooling, the politics of education, the establishment of new frameworks for industrial relations and the emergence of a national imperative.
>
> (Caldwell, 1993: xiii)

On the other hand, some see it as simply a means to cutting costs. Smyth (1993: 8), in his response to the Victorian Schools of the Future argues:

> One of the noticeable (indeed, even remarkable, or is it?) features of the move towards the self-managing school phenomenon around the world, is its occurrence in contexts of unprecedented education budget cut-backs. Whenever there is a break out of self-managing schools, the notion is used as a weapon by which to achieve the alleged 'efficiencies' and 'downsizing' of education.

In Britain, '...governments have actually increased their claims to knowledge and authority over the education system whilst promoting a theoretical and superficial movement towards consumer authority' (Harris, 1993). In the USA school-based management '...has emerged at a moment of public sector retrenchment not expansion. School-based resources and decision making have been narrowed, not expanded. School-based councils feel 'empowered only to determine who or what will be cut' (Fine, 1993: 696). Smyth (1993: 1) goes as far as to suggest 'that much of what passes as public policy, is not the result of careful, rational, thoughtful, and openly shared deliberation about some set of circumstances and how they came to be, but rather it takes the form of "solutions in search of problems"'.

These arguments characterise one of the main areas of dispute in the 1990s, namely the image of the school as part of a competitive market. As government funding tightens and becomes more focussed on following the student, and the range of services provided by the school at the local level increases, schools may have to market themselves to attract students (and funds). They may become involved in entrepreneurial activities to develop the funding base for new initiatives or to extend the curriculum beyond what the base level of funding provides. This is seen by some as a natural extension of the directions that schools have been moving for the past ten years or so, but is seen by others as having the potential to break the system apart (see Marginson, 1994). It raises the issue of whether or not schools have an obligation to the community as a whole (and are therefore in co-operation with other schools) or whether they are only required to satisfy the needs of their own school community (and are therefore in competition with other schools).

The development of the market economy for education was encapsulated by Chubb and Moe (1990), who advocated a high level of autonomy for schools, and parental choice of schools, on the basis that this would lead to greater diversity in schooling and increased student outcomes, the principle upon which the American Charter School system has been founded. This position has fuelled the debate on educational vouchers, as discussed in a previous section. They advance the notion that:

> student achievement is not affected by any of the usual 'top-down' proscriptive solutions that public school wizards employ - more spending per pupil, higher teacher salaries, lower pupil-to-teacher ration, or even higher graduation

requirements. The very fact that these remedies are imposed by a government runs away from the campus level, renders them unworkable.

> The effective school is an autonomous school...organized and run to immediately meet students' and parents' needs, and not along government guidelines.
>
> (Auten, 1995: 2)

They argue that with true choice, schools 'run their own affairs as they see fit...When choice is taken seriously [school-self management] is beside the point' (Chubb and Moe, 1992: 12). In their review of the British reforms in education, which came about with the *Education Reform Act* of 1988, they argue that the Grant Maintained Schools, despite being few in number, had shown that opting out of the Local Education Authority system could provide new ways of providing education that had the potential to improve student learning. However, Whitty responds that 'other countries should be wary of the suggestion...that the English experience offers them a useful lesson in school reform - unless that lesson is that some approaches should be treated with extreme caution. Empirical research does not, indeed in principle could not, show that such reforms can ever have beneficial effects' (Whitty, 1994: 13).

However, there are considerable problems to be resolved, all of which centre on the rights and responsibilities of the various groups involved in managing schools. Seddon (1994: 2) characterised the differences between the debate in Australia and the debate in some other countries by arguing 'In Australia, when we meet to consider educational reform we discuss decentralisation. In other countries of the world, Europe, the Russian States, South Africa, the key debate in education is about democracy.' She argues that the decentralisation debate in Australia is narrowly focused on economic issues which ignores the more important issues of democracy. The long established model of partnership between staff and parents, school and community is now replaced by a model of provider and consumer.

*School Effectiveness and Charters*

McGaw (1994:15) argued that there is some evidence to suggest that while there is a clear trend towards decentralisation in many centralised national or state systems, there is the need for a clear rationale to be developed to clarify the reasons for that decentralisation and to identify what is to be decentralised. He argues, as do Hargraves and Hopkins (1991), that care needs to be taken that the 'devolution of responsibility' does not simply become a 'displacement of blame', particularly where transfer of responsibility is accompanied by a decreasing resource base. He suggests that there is a case to be made that some systems are implementing a covert centralisation as more powerful control mechanisms replace others that are done away with. He uses the case of an abandonment of detailed program prescriptions concurrent with an introduction of

detailed mechanisms for surveillance and evaluation. Such concerns call for further consideration, and further research into the argument that devolution brings benefits to students, and that it is not just a cost-cutting exercise on the part of many governments in various parts of the world.

There have been attempts to identify appropriate, and locally acceptable, goals for Australian students, rather than simply have governments providing a rigid framework for what occurs in schools. A study conducted in New South Wales (Educare News, 1991), where over one thousand parents in thirty-four Catholic schools in Sydney's eastern suburbs responded to the survey conducted by the Sydney Catholic Education Office and indicated that they would prefer their child to be 'self-confident', 'happy', 'well-balanced' and 'self-disciplined', rather than the 'smartest kid in the class', 'good at sport' or 'competitive'. The Effective Schools Project, a major national study into school effectiveness in Australia concluded:

> School effectiveness is about a great deal more than maximising academic achievement. Learning, and the love of learning; personal development and self-esteem; life skills; problem solving and learning how to learn; the development of independent thinkers and well-rounded, confident individuals; all rank as highly or more highly in the outcomes of effective schooling as success in a narrow range of academic disciplines.
>
> (McGaw et al., 1992:174)

Townsend (1994) found that school communities in government schools in Melbourne felt that academic, vocational, citizenship, personal development and community goals all needed to be considered. He proposed a core-plus curriculum:

> ...where the core might be the state mandated obligations of the school, similar to those that would relate to success in literacy and numeracy, but the plus would be determined by the school community.
>
> (Townsend, 1994: 105)

Given these differences in perception between governments and school communities, there is the obvious need for teachers, researchers and other educational stakeholders to work together to identify an appropriate range of student outcomes that can be considered legitimate for the purposes of achieving a quality education system, together with appropriate measures for each of those outcomes.

There are starting to be some data, unfortunately all of it opinion-based and thus not conclusive one way or the other, related to school self-management and student outcomes. Arnott et al (1992) in their ongoing work on the impact of self-management on schools in England and Wales concede that although the study is broadly positive, 'that direct evidence of the influence of self-management on learning is elusive' (Whitty, 1994: 5). The final report (Bullock and Thomas, 1994) suggested that

although the 'proportion of headteachers making a positive assessment concerning improvements in pupil learning has increased somewhat over the three years,... significantly this assessment has come mainly from those schools which have experienced an increase in funding as a result of self-management' (Whitty, 1994: 6). In New Zealand 46% of principals and 41% of teachers felt that the quality of children's learning had improved since the shift to school-based management (Wylie, 1994). An ongoing study of more than 300 parents, teachers and school councillors (Townsend, 1995a) showed that there were marked differences between the responses related to the Schools of the Future from parents and school councillors on the one hand and school staff on the other. Although more than 65% of parents and school councillors felt that the Schools of the Future would provide schools with the opportunity to provide students with a broader education, only 31% of teachers agreed with the statement. In addition, 50% of parents and 47% of school councillors, but only 20% of teachers felt that the Schools of the Future program would lead to an overall increase in the quality of education. Finally 44% of parents, 47% of school councillors, but only 24% of teachers felt that the Schools of the Future would promote achievement for students from different backgrounds. In a climate where teachers are so negative about the success of the program, much work needs to be done to promote the quality of student outcomes.

However, there is some evidence to suggest that some of the features of self-managing schools may militate against some of the characteristics of schools that are assumed to increase effectiveness. Whitty reports 'it may be significant that the relatively few classroom teachers who were interviewed by the Birmingham research team were far more cautious than their headteachers about the benefits of self-management for pupil learning and overall standards. This takes on more significance when we learn from a recent report from OFSTED that 70% of primary headteachers are failing to monitor how well their pupils are being taught' (Whitty, 1994: 7). It could be argued, for instance that the increased workload on principals, and also classroom teachers, in the areas of school decision-making, charter development and external accountability may take away some of the emphasis on things such as 'structured teaching' and 'effective learning time' which have been shown by Scheerens (1992) to be the school level factors most closely linked to student outcomes. Issues such as 'opportunity to learn', 'pressure to achieve', and 'high expectations', rely to a large extent on the commitment of the teacher, rather than the management system in operation.

Yet it has been found, in almost all studies thus far conducted in the United Kingdom (Campbell & Neill, 1994; Rafferty, 1994a), New Zealand (Wylie, 1994; Bridges, 1992; Livingstone, 1994) and Australia (Thomas et al., 1994, 1995), that the implementation of the self-managing concept has increased the workloads of both

principals and teachers alike. Such studies have been accompanied by reports of some deleterious effects such as 'no overall improvement in standards but teachers have been driven to burnout' and the evidence of 'a steep rise in the numbers of heads and deputies retiring' (Rafferty, 1994b). Townsend (1995a) found that it was universally accepted by parents, school councillors and teachers that the workloads of the principal, school councillors, teachers, and administration had increased since the Schools of the Future program commenced. In excess of 60% of the parents and about 90% of teachers and school councillors indicated that this was the case for all four groups.

It is hard to see how such a change in the working conditions of those in schools could have anything but a negative effect on students. Teachers and principals suffering from burnout are less likely to be able to deliver those facets of school operations that bring about improved student outcomes. Whitty concludes 'that in the particular circumstances of contemporary Britain some of the positive educational benefits claimed...have yet to be forthcoming and that, far from breaking the links between educational and social inequality, they seem to intensify them' (Whitty, 1994: 13).

There is also some evidence to suggest that the self-managing model, as practiced by 'economic-rationalist' governments, may be pushing principals and staff apart. Sinclair (1993) reports that 'headteachers are no longer partners in the process of educating pupils - they become allocators of resources within the school, managers who are driven to ensure that the activities of employees are appropriate to the needs of the business, and givers of rewards to those whose contribution to the business is most highly regarded.' Halpin et al (1993) suggest that the process of running a self-managing school, with the need to balance both curriculum and resources can result in an increase in the distance between the teachers and the headteacher. In Victoria, one of the first tasks the principal had to undertake after the election of the new government was the identification of the 'least effective teacher(s)' that had to leave the school as the savage cuts to education altered staffing numbers to almost every school in the state. This was hardly the way to develop strong bonds between the principal and the staff.

### 3. Resource allocation to individual schools should be based on the needs of the students within those schools.

There are two issues that need to be considered within the discussion of resource allocation. The first considers the total quantum of funds made available to schools by government and the second considers the decisions related to how those funds are distributed between schools. McGaw (1994) argued that many of the recent restructuring activities accompanied by simultaneous cutbacks in education indicate a lack of faith in the impact of resources which resulted from the substantially increased dollars per student allocated to schools in the 1970s and 1980s without any systematic research to indicate the benefits of

these increased resources. He suggested that the current policies of resource reduction 'are based, not on the evidence that there will be no negative effects, but on lack of evidence to the contrary' (McGaw, 1994:10). The Australian Institute of Public Affairs went so far as to suggest that a further $1.4 billion dollars could be saved if all states reduced their per pupil allocation to that of Queensland, the lowest spending state, and that such a reduction would have no effect on student outcomes (Clare and Johnson, 1993: 64).

Once the total amount of resources to be allocated to schools is decided by government, the second concern, namely, how the total resources are to be split up and allocated to schools, emerges. Despite Tickell's (1995: 20) concern that 'the debate over vouchers is both long running and divisive...the term provokes such hostility and suspicion that a government seeking to establish self-managing schools would be wise to renounce any intention of introducing vouchers', the notion of resources following students is certainly not a new idea.

The idea of an education voucher system was attempted in the United States in the early 1970s, where the US Office of Economic Opportunity first undertook feasibility studies in Gary, Indiana, San Francisco and Seattle and then funded a voucher system in Alum Rock School District in San Jose, California in 1972. The plan was based on the possibilities identified by Christopher Jencks (1970) and included these features:

- Parents choose between competing schools.
- Schools must be open to all applicants.
- Schools must accept the voucher as full payment for the cost of a child's education. Parents may not add money to the value of a child's voucher.
- Each school must make information available which will enable parents to make wise decisions.
- A new independent agency, the Education Voucher Agency (EVA) enforces these regulations and administers the voucher program.
- The value of the voucher is supplemented for the poor, to enable schools to develop special programs for these children.
- All kinds of schools are included - private and religious schools as well as public schools.

(Mecklenburger and Hooper, (1972: 388)

The Alum Rock trials were considered to be successful by some (Kirkpatrick, 1990; Lines, 1993; 1994), particularly in the area of showing that parents from all socio-economic backgrounds can become knowledgeable about the choices available to them, providing that appropriate information is supplied to them. The trial was eventually wound up due to there being little evidence of increased student achievement, and in some cases a dropping of student reading scores, a result which a later re-analysis of the data suggests was not entirely accurate (Weinman, et al, 1978). The final report of the Resource Allocation Study (Alum Rock Union Elementary

School District, 1982) concluded that there was a need for funding to be targeted at specific children rather than at the whole school, if outcomes were to be improved.

However, the issue of vouchers refuses to go away. The Hoover Institution (1995) identifies 'sluggish economic growth', 'an expanding government' and a 'weakened social fabric' as three issues of concern within the American community. It has undertaken a series of research activities that have been disseminated through programs and conferences, one of which was entitled 'Choice and Vouchers: The Future of American Education'. However, Auten (1995) reports that 'sweeping, radical changes in fundamental policies, such as free public education tend not to fare well with voters'. California voted down vouchers in 1993 and Wisconsin is the only state to have established a pilot voucher scheme (in 1990) and that only is available to low-income families whose children attend non-sectarian elementary schools in Milwaukee.

*School Effectiveness and Resource Allocations*

In terms of total allocation of funds to schools, perhaps the most useful school effectiveness research to consider is that concerned with the education production function model. Although there had been universal agreement on the need for improvement in student outcomes, there was far less agreement on how these would be achieved. The production function studies attempted to derive a model for the relationship between educational inputs and outcomes. School input characteristics such as teacher salary and qualifications, facilities, teacher-pupil ratio and per pupil expenditure, and pupil characteristics such as socioeconomic status and ability were compared with outcome measures such as achievement on standardised tests, patterns of educational futures and adult employment earnings.

Perhaps the most influential studies were conducted by Eric Hanushek (1981, 1986, 1989, 1991). Some educators had argued that, to improve the outcomes of students, more money was required by the school system. Hanushek's studies led to the conclusion that there was little consistent relationship between educational expenditure and pupil achievement (Hanushek, 1986:1161). This set of studies has allowed many governments to argue the case that they could increase the quality of student outcomes and decrease the expenditure on education simultaneously.

However, a recent re-analysis of Hanushek's data (Hedges, Laine & Greenwald, 1994) has suggested that the conclusions drawn by Hanushek are not as watertight as first thought. Hedges et al. used more sophisticated analysis mechanisms and concluded that there was 'strong support for at least some positive effects of resource inputs and little support for the existence of negative effects...the pattern of effects is most persuasive for global resource variables (PPE and teacher experience) the median effects are positive for most resource variables, with the clear exception of teacher education' (Hedges et al, 1994: 13).

However, it is not always easy to measure the cost-effectiveness of various strategies that are designed to save money. A recent meta-analysis of the international literature (Mortimore, 1995) has indicated that it is not simply a matter of allocating resources to schools that is an issue, but how resources are allocated within schools as well. Mortimore has reviewed research on the relationship between class size and student outcomes from the United Kingdom, the United States and Canada and has recognised, as does Slavin in the USA, that the issue of class size, in itself, will not make a substantial difference to student achievement. In addition, the research so far has shown that the costs of reducing class sizes are high, in comparison to the improvements gained. The possibility of using the money on other programs, such as reading recovery or individual tuition are considered likely to have 'better pay-offs'. However, the balance of evidence did lead him to conclude 'the evidence justifies, wherever possible, putting reception and Year 1 pupils in smaller classes, even if this means paying for this with larger classes for older pupils' (Mortimore, 1995: 11).

Levacic and Glover (1995) report on the use of 'value for money' as a school improvement strategy adopted by school inspectors in the United Kingdom. They argue that the Office of Standards in Education (OFSTED) puts into practice the 'economic-rationalist management model' established by the Education Reform Act of 1988. Such a practice considers efficiency, which the Audit Commission (1984) defined as *securing minimum inputs for any given quality and quantity of service provided* and effectiveness, defined as *how well a programme or activity is achieving its established goals or other intended* effects. They argue that value for money is similar to cost effectiveness...'a criterion which combines efficiency and effectiveness' (Levacic and Glover, 1995: 5). In their study of the comments made in 66 inspection reports of secondary schools in 1993, the authors concluded that although...

> the new inspection system in England and Wales has given schools a considerable incentive to develop an economic-rational approach to resource management...given the ambiguous nature of the relationships between resource inputs and school outputs, schools are not finding it easy to adopt the economic-rationalist approach in its complete form. While schools engage in developmental planning and have mostly adequate systems of financial control, they do not find it easy to relate spending to educational objectives and to assess the cost-effectiveness of expenditures and resource use.
>
> (Levacic and Glover, 1995: 22)

The difficulty in quantifying the problem of socio-economic disadvantage can be found from two years of work within the Victorian Schools of the Future program. Hind and Caldwell (1995) identify the workings of the committee charged with the development of the formula for resource allocation with respect to 'students at risk'.

> Two particular areas of risk were considered. Firstly, there is consistent and powerful evidence that large numbers of students are not achieving basic levels of literacy in the early years of primary schooling. Effective literacy intervention programs have been identified which, if funded adequately, can produce a significant impact on the literacy levels of these students...
>
> The second area concerns students at risk on account of family or social circumstances. The committee's view was that the most important issue is the determination of the most appropriate way to target funds for programs in support of such needs. An index of need was judged as offering the most potential for inclusion in the School Global Budget. Time did not permit the development of such an index for incorporation in the School Global Budgets for 1995; the required developmental work will be undertaken as part of a research project in 1995.
>
> (Hind and Caldwell, 1995: 11-12)

In September, 1995 when the calculations for the 1996 Schools Global Budget were outlined, a substantial amount ($52 million over two years) was allocated to the Keys for Life program to ensure adequate literacy standards were obtained by all primary students. This translated into about $20 per student for each primary student each year. However, when it came to the more difficult concept of socio-economic disadvantage, a more complex formula was required:

> The minister has accepted the recommendations of the Caldwell Committee that a new index be developed to allocate resources for students with special learning needs (referred to as "students at educational risk" by the Caldwell Committee).
>
> For 1996 this index will be based on the following student characteristics:
>
> - proportion of students receiving the Educational Maintenance Allowance (EMA);
> - proportion of students speaking a language other than English at home;
> - proportion of Koorie students;
> - proportion of transient students.
>
> To prevent targeted resources from being spread more thinly, an eligibility threshold will be established. On a statewide basis, this threshold will allow 30 per cent of students with combinations of the above characteristics to be eligible for this category of funding.
>
> (DSE, 1995a: 7)

Schools would be ranked according to their proportions of each of these types of students and the amount of money allocated would be dependent upon the school's ranking and the total money to be allocated.

Chapman posed two questions that must be considered as critical at the system level. How is it possible to evaluate schools when they have uneven resources? What

is the acceptable level of unevenness in a public system of education?' (Chapman, 1991:31). One concern in Victoria is that the resource allocation through the Schools Global Budget is not the only source of funding for schools in Victoria (as was implied by the Jencks plan in 1970). School charters indicate that, in addition to the Schools Global Budget supplied by the Government, locally raised funds can be a significant contribution to the running of the school. A sample of Victorian schools (Townsend, 1995b), from both urban and rural settings, and from both primary and secondary schools, shows the potential discrepancies that can occur between communities. In the sample of 122 schools, the amount of budgeted locally raised funds (averaged over the three years of the charter) ranged from $19 to $522 per pupil per year, with an average of $165 per pupil. In terms of the government allocation, schools of similar size, locality and student backgrounds would receive roughly the same allocations from the global budget assessment, yet over the course of a student's six year career, some schools would have up to more than $2000 in additional resources per pupil than others.

## FUTURE DIRECTIONS

Lezotte (1989) suggested that the effective schools research in the United States can be 'organized around five relatively distinct periods.' He categorised those periods as:

> Search for Effective Schools
> Descriptions of Effective Schools
> Creating More Effective Schools: One School at a Time
> District wide Programs Based on Effective Schools Research
> Beyond the Local School District
>
> (Lezotte, 1989: 2-16)

This short history suggests that we need to look at the effectiveness of schools, school by school, one school at a time, but that there is a role to be played by school systems in supporting this development. The self-managing school model has adopted this concern. Quality schools rely on what happens in them to become that way. However, the role (and perhaps the responsibility) of the school system is to both support this development and to assess that schools are moving in the direction required.

Reynolds and Packard argued that 'researchers know considerably more about the characteristics of good schools than about how to make schools good' (Reynolds and Packard, 1989:2). This seems to suggest that it may well be easier to recognise a school as being more or less effective than other schools than it is to explain why or how it came about. For this reason, much of the research has focused upon identifying

characteristics associated with effective schools, in the hope that this knowledge will somehow help other schools to become more effective. But the research thus far has not provided a great deal of detail in terms of establishing the complex inter-relationships between the identified characteristics; yet it may be here that the heart of the matter lies.

Schools recognised as being effective will have present within them some or most of the critical characteristics, such as good leadership, parental involvement and a dedicated staff, but it is the way in which these characteristics interact that ensures that the school is effective. It is possible that other schools will have an identical set of characteristics, but because the interplay between them is not right, the school is seen to be less effective. Knowledge of the characteristics of effective schools does not, in itself, help either. A principal knowing that dedicated and qualified staff members contribute to the level of effectiveness of a school does not guarantee he can get them. A school staff knowing that home-school relations contributes to the performance of the students does not ensure improvement within an apathetic school community. To understand the complex issue of effectiveness fully, consideration must be given to both how effectiveness has been recognised or defined and how an effective school operates, that is, the processes it uses to create the level of effectiveness it actually achieves.

Reynolds suggests that one of the ways in which we might further our knowledge of school effectiveness is to focus our attention on ineffective schools 'with the same fervour and purpose that we have attached to the problem of conceptualising and operationalising school effectiveness.' (Reynolds, 1994: 17). He argues that this is particularly urgent now because of the restructuring activities occurring. With the movement to self-managing schools, what structures and systems are available to schools that might fall below what Reynolds calls 'basic organisational adequacy'? Who does the school in trouble turn to when a market approach to education is being promoted and there are few or no support systems provided by the education system?

> Superimposing on schools a range of responsibilities such as managing teacher appraisal, starting school development planning and running ambitious improvement programmes is likely to result in the raising of the educational ceiling by competent persons in competent schools but is also likely to result in the floor of incompetence being left increasingly far behind.
>
> (Reynolds, 1994: 17)

Beare (1994) suggests that the future of schools is through the development of a network of small semi-autonomous units and part of his argument, which harkened back to an earlier statement of his, seems prophetic in hindsight:

> Education's corporate image has now become a matter of survival. So if your school wants customers and resources in the next few years, you had better proclaim how good it is, how competitive are its services, how excellent its staff, and you had better not advertise its deficiencies, you had better use its resources - capital, monetary, personnel - in ways that will maximize profits. Over the next decade, only successful, positive, confident, client-oriented schools will have a right to survive, or be rewarded with improved resources.
>
> (Beare, 1982: 17)

On the other hand, Tickell (1995) is wary of future developments within the current push to decentralisation. He argues 'the maintenance of a line relationship between the principal and the central authority and the capacity of the authority to intervene in school operations may well provoke the allegation that governments are less concerned with genuine devolution than with strategic centralisation' (Tickell, 1995:7). He goes on to suggest that decentralisation within the current context of a market-driven provision of education is starting to blur the distinctions between government and non-government schools, which may lead to the possibility that some schools within the 'public' system '...could decide to appeal to affluent (and discourage less affluent) parents by offering a narrowly academic curriculum and maintaining an authoritarian approach to student management. It might also decide to charge substantial fees which would serve as a further disincentive to low income families' (Tickell, 1995:11). The possibility here is that 'good' schools might get better and 'poor' schools might get progressively less access to resources and the support required to improve their profile.

## CONCLUSIONS

It is obvious that the self-managing school, as the key characteristic of a decentralised system is here to stay, however the jury is still out on the best way to operate such a system. The research is inconclusive about whether the self-managing school will improve student outcomes. It seems likely that the total level of resources allocated to school systems has been discounted by political parties of all persuasions as being a critical factor. However, there must be an absolute limit to the minimum amount that can be provided before the system becomes unworkable.

It could be argued that the lack evidence of improvement in student outcomes does not, in itself, demonstrate the failure of school self-management. It could equally well be argued that the movement towards this form of decentralisation has increased the possibility of improved student outcomes over time, by increasing local involvement, teacher status and professionalism and giving the school more control over its resources. It could also be argued that the school effectiveness research has an

extremely narrow focus, and that there are many other features of school operations aside from student outcomes that can be improved by the move towards a decentralised system. If these factors are improved and the effect on student outcomes is not negative, then the case can still be made.

Certainly the case can be made that if student outcomes remain the same, but at considerably less cost to the public, then the move has been worthwhile. Productivity will have increased and this may be seen by many as a plus. However, it seems at these early times, that the decrease in funding has brought a human cost. The increased workloads for principals, teachers and parents, in themselves, might not be seen as negative, but the increase in stress related problems and early retirements of senior staff must be of concern. If the increased workloads burn people out before their time, this has to be at a cost to the system. A careful monitoring of this feature of self-management must be made to ensure that the levels of resourcing, both financial and human, is not dropped below those levels where the system collapses. The current evidence suggests that the current levels of resourcing are dangerously close to these critical lower limits.

Only time will tell if the systems of self-management that are now in place, in many parts of the world, will improve the ability of schools to provide a quality education for all children, will simply deliver cost-savings or, in the longer term, will deliver neither as the resource starved education system then delivers the social costs of poorly educated children which are identified by increasing crime, welfare and health costs borne by the community after the pupil leaves school.

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